3:Royal Institute of International Affairs U-4 (no date)1954 M1 Middle East
SYRIA MD1

457 panies. It was replaced by a fixed rate to approximate closely to the prevailing free rate.

International Trade

439 In 1951 Syria had an adverse balance of trade of £S28 million but this was probably counterbalanced by the income from certain invisible exports which do not come within the knowledge of the official statisticians. The year 1951, however, was a particularly bad one for agriculture. In normal years Syria can expect to have a favourable balance of international trade; in 1950, for example, the country had a considerable trade surplus and by 1952 the large deficit of the previous year had been wiped out. Syria's best customers are usually Lebanon and Iraq (Lebanon's inter-Middle Eastern trade is higher still) but there is also reciprocal trade with Britain, France, Italy, and the United States. Trade with Western Germany has recovered and is now quite important although it is threatened by Syria's attitude to the German reparations to Israel.[1] Syria's main exports are agricultural; raw cotton has recently become the most important. Her chief imports are machinery, oil, and textiles.[2]

Up to 1947 almost all the external trade of Syria was done not only through Beirut but also by Lebanese firms; however, since then, Syrian merchants have set out to show that they can deal directly with the outside world. The Government are encouraging importers and exporters to use Latakia rather than Beirut and legislation aims at preventing foreign businesses from being represented in Syria by foreigners. This has the effect of cutting out the middleman in Beirut, but it also makes it very difficult for British, American, and French firms to have sufficient control over their affairs to encourage the investment in Syria of foreign skill and foreign capital. In 1951 some Belgian and French companies were nationalized and the commercial climate was unfavourable to foreign investment; but during 1952 Colonel Shishakli declared that the Government would welcome foreign capital and enterprise provided that they did not encroach on Syria's national sovereignty and interests, and towards this end exchange regulations were to be simplified and greater freedom was to be given in the transfer of capital.

Development Schemes

426 Interest rates in Syria and Lebanon are very high and even
454 a sound borrower may have to pay from 25 to 50 per cent

[1] See table 4, p. 503 below. [2] See ibid.

3:Royal Institute of International Affairs U-4 (no date)1954 M1 Middle East
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interest per annum. The Syrian private capitalist expects very large returns and the foreign private capitalist requires more security than is obtainable in the Middle East; thus the development of Syria must be financed either by the Syrian Government or by an international agency. Syria is one of the few countries to have refused American Point Four aid on principle, but she is a member of the International Bank for Reconstruction and Development and this organization has been studying some of the development schemes listed below.

1. *Drainage of the Ghab marshes.* Nearly 100,000 acres of land can be irrigated from the excess water of this area to improve agriculture and public health, and plans are well advanced.

2. *Euphrates barrage*, to provide 100,000 kws. of hydro-electric energy for irrigation and industrial needs. With this power it is hoped to irrigate half a million acres.

3. *Yarmuk and Barada rivers.* Hydro-electric schemes to give power to Damascus and the Hauran.[1]

4. *Latakia port.*[2] There have been complications over the award of the tender for this work, and construction had not effectively begun at the beginning of 1953.

5. *Khabur river.* Irrigation scheme for 22,000 acres.

6. Improvement of rail and road communications from Latakia to the hinterland and establishment of a network of all-weather roads in the Jezira.

7. *Rouj marshes.* Drainage to irrigate about 8,700 acres has already commenced.

If agreement can be reached to implement some of these schemes not only will Syria benefit but also the Arab refugees from Palestine may find employment and even homes.

(*b*) LEBANON

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Much that has been said about Syria also applies to Lebanon and, to avoid repetition, only points peculiar to Lebanon are here outlined.

Agriculture

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The table on p. 488 above gives the approximate division of the land in cultivable and uncultivable areas and the estimated acreage; the crop and yield of the main agricultural products are given in the following table.

[1] An agreement with Jordan was signed on 7 July 1953, but work has not yet begun.

[2] See above, p. 487.

2k: Warriner S-5 (to date) 1948 MI Middle East
Lebanon ME1
Syria MD1

S landlord, and 60–50 per cent to the peasant. The landlord's
427 only charge is taxes. If, as in some districts, the tenant provides labour only, and the landowner bears other costs, the landowner's share may rise to 80 per cent. For irrigated cereals, the landlord's duty is to provide water, and his share of the crop is then 60 per cent. Other irrigated crops are usually farmed by the landowner direct.

The tenant has no protection against eviction because these tenancy agreements have no legal basis, and are not covered by the provisions of the Ottoman Land Code. The tenant may be evicted by the landlord without notice, and no compensation is paid him for improvements made or for losses incurred when he is evicted.

S How much of the land is owned by large proprietors in Syria
471 is not exactly known. Roughly one-half of the grain sold in the market comes from large proprietors, and it is believed that about 60 per cent of the land is owned by them. In northern Syria, big landowners own 70–80 per cent of the land, and in the Damascus region 60–75 per cent. In the district of Hama, out of 114 villages, 110 belong to landlords, and 4 landowners between them own 86 villages. Generally there is a great desire on the part of the peasants for individual ownership, but it is only where there is some form of intensive cultivation that it can be successfully maintained. In the village of Kesruwan, for example, banana growing has brought prosperity to the peasants and enabled them to purchase land.

S Thus the custom of share-cropping reflects the instability of
471 grain growing in arid climates with uncertain rainfall and great
427 variations in yields. It is peasant indebtedness which supports
426 the large landowners. Two bad harvests in succession will mean that the peasants become so much indebted that they will actually reduce the area sown for lack of seed, and will therefore be obliged to sell to a money-lender or city merchant. The majority of the big Christian merchants in the town have become rural landowners in this way, particularly in Latakia and round Homs and Hama. In the Syrian plain districts, entire villages have passed into the hands of merchants through indebtedness.

S Most of these large landowners are city families, who take no
L interest whatsoever in actual methods of cultivation. Some,
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Mariner S-5 (no date) 1948 MI Middle East
Lebanon ME1
Syria MD1

LAND TENURE

Of the total 160 families in the village, 100 own some land and 60 own no land. The peasant owners are divided as follows

1. Rich farmers, owning about 10 hectares ..	5 families
2. Medium farmers, owning from 3 to 8 hectares	80 „
3. Poor farmers, owning between 1 and 3 hectares	15 „
4. Share-tenants	10 „
5. Labourers	50 „

As in Misherfe, two-thirds of the land is uncropped each year. The peasant divides the land into three plots, one sown with a crop, one ploughed but not sown, and one fallow. The wheat yield is slightly higher than the average for Syria, and amounts to 833 kilogrammes per hectare (6¼ hundredweight per acre); barley yields are also slightly higher, being 8 hundredweight to the acre.

As a result of the more equal distribution of land, rather better yields, and more irrigation, the standard of living is better than in Misherfe. The first two classes, including half the families, can reach an adequate standard of consumption of food and other essentials, which is reckoned to be 25 kilogrammes of wheat per month, 1 kilogramme of meat per month (i.e. one sheep a year), 40 kilogrammes of olive oil and 20 kilogrammes of 'samn' per year, 4 tins of kerosene and a small quantity of clothing. The remainder of the village, about one-half of the total, that is the poor peasants, labourers, and share-tenants, are unable to reach this standard and live in great poverty, in one-roomed huts. The majority of these cultivators are heavily indebted, and the burden of indebtedness has doubled during the war years, because debts are usually incurred in gold.

The third study relates to Kfer Sa'ab in the north Lebanon, a hill village of small owner-cultivators. Of the total area of 200 hectares, about 30 are owned by the sheikh of the village. The total number of families is 150 (1,200 people), of which 120 own land and 30 are landless. A few peasant owners are rich with 5 hectares of land; 60 are medium owners with 1·5 to 2·5 hectares of land, and 25 own 0·5 to 1·5. Here cultivation is much more intensive than in Syria, and half the land is irrigated.

[Ashrafie, near Damascus -- Analyst]

29:Dunn S-4 (1952)1952 MI Middle East
Syria MDI

ment, and the investors, inexperienced in farming and unequipped to deal with adverse weather, lack of water, and heavy insect infestation, obtained low yields. Many lost their own capital and borrowed money. 454 241

Some investors, who realize that their only chance of coming out on their original investment is to continue their operations and even to make additional investments, plan to expand operations. Future investment naturally will depend on current earnings which will be determined by production and world market prices.

Farmers who may be in a position to continue investing in agricultural development out of their own capital, however, will be a small minority. The need for credit will be great.

Limited credit usually is given to tenants by the landlords during the spring and summer, but most farmers need more. In the past, additional production credit has been extended largely by the merchants and moneylenders at rates from 15 to 50 per cent annually. A few large landlords borrow money from banks at rates as low as 7 and 8 per cent, but only against excellent securities. Interest rates to the tenants who have less collateral are usually higher. Merchants are discontinuing the practice of buying cotton before the crop is made at prices from 50 to 70 per cent of the future market price because in many cases the farmers do not make enough cotton to fulfill their contract. 452 426 [455]

The government has sought to meet the need for credit by creating an agricultural bank, but the capital is limited and size and volume of loans are small. In 1951, for instance, the bank loaned a total of only $5 million to 57,000 cultivators. Private groups are said to have loaned as much on cotton in the Jezira alone. 652 452

LAND TENURE

Land available for cultivation is plentiful, but confused titles, excessive concentration of ownership, and insufficient or restricted use of the state domains hamper development. 423

The government has a major interest in agriculture and the tenure problem. The Ministry of Justice reports that 23 per cent of the farm land is owned by the state and in some of the larger farming areas the percentage runs as high as 69 per cent. There is also a heavy concentration of land in large units owned and operated by a few wealthy landlords, with 29 per cent of the farm land in farms over 250 acres. Most of the large farms in the old agricultural areas are operated on a tenancy system, but many of the farms now being established in the new areas of the Jezira are operated on a day-wage basis with mechanical equipment. This is especially true of wheat farms. A strong middle class of farmers owns about one-third of the land in farms from 25 to 250 acres, and many of them cultivate their land with the help of tenants. Only 15 per cent of the farm land is owned in lots less than 25 acres. 423 471 241 [427] [464]

In an effort to encourage landownership, stability of tenure, and an interest in improvement of the land, a law was passed recently under which state lands are to be sold on long-term, easy-payment plans to landless farmers with a limit of 123 acres to a farmer. The plan was designed especially to settle the nomads. The principal areas concerned are the state domains in the valleys of the Euphrates and Kabur Rivers, which were un- 425 471 311 [166]